Proposed Change to California's Benefit Formula

Once a household is placed into a poverty group, based on household income and number in household, payment would be calculated as follows:

County Coefficient   X   Statewide Average Energy Cost   X   Poverty Group Coefficient   = HEAP Benefit Amount X Energy Burden Factor

County Coefficient - based on the average energy cost for gas and electricity for each county in California. The specified utility companies in those counties provide these costs (Rate Survey). After determining each county's average cost of energy, a statewide average cost is obtained. The relation of the county cost to the state average cost dictates the county coefficient. (county energy cost divided by statewide average energy cost = county coefficient)

Statewide Average-the average of total energy costs for all counties in California; 2008 Statewide Average is $137.55

Poverty Group Coefficient-Represents the number of months the assistance is projected to cover

Additionally, if a household has a member of the vulnerable populations, a override can be choosen to allow the client to receive the full amount of the benefit regardless of their energy burden.

2008 Poverty Coefficients

Poverty Grp 1	2.5 months
Poverty Grp 2	2 months
Poverty Grp 3	1.75 months
Poverty Grp 4	1.5 months

Energy Burden Factor

EB Factor 1	0% to 5%	55% of benefit from the existing calculation
EB Factor 2	5.1% to 7%	65% of benefit from the existing calculation
EB Factor 3	7.1% to 10%	75% of benefit from the existing calculation
EB Factor 4	10.1% & above	100% of benefit from the existing calculation

Client	Imperial County Coefficient	Statewide Average	Poverty Coefficient	Benefit Amount	EB Factor 1 55%	EB Factor 2 65%	EB Factor 3 75%	EB Factor 4 100%
Poverty Grp I	1.04958 X	137.55 X	2.5 =	$361	199	235	271	361
Poverty Grp 2	1.04958 X	137.55 X	2 =	$289	159	188	217	289
Poverty Grp 3	1.04958 X	137.55 X	1.75 =	$253	139	164	189	253
Poverty Grp 4	1.04958 X	137.55 X	1.5 =	$217	119	141	162	217

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